



United States
Department of
Agriculture

Food and
Nutrition
Service

3101 Park
Center Drive

Alexandria, VA
22302-1500

March 17, 2006

SUBJECT: WIC Program – Fiscal Year (FY) 2006 WIC Electronic Benefits Transfer (EBT) Pilot Project Cooperative Agreement Request for Cost Amendments & Pre-Notice of Competitive EBT Cooperative Agreement Solicitation

TO: WIC State Agency Program Directors
All States

In accordance with Public Law 109-97, the Food Nutrition Service (FNS) plans to award grants to WIC State agencies to support the continued development, implementation, and evaluation of existing Electronic Benefits Transfer (EBT) pilot projects. Instructions for requests for cost amendments are attached. Subject to the availability of funds, FNS may also award funding for up to 3 new projects under a separate cooperative agreement solicitation to develop, test, and evaluate an integrated online EBT solution (i.e., a WIC EBT system that delivers benefits via a magnetic stripe card used with existing retailer equipment in an on-line, real time setting).

Request for Cost Amendments

The fiscal year (FY) 2006 Request for Cost Amendments is open to WIC State agencies that are currently operating a WIC EBT pilot project: Michigan, Nevada, New Mexico, and Texas. FNS will not consider funding requests for cost amendments from State agencies that have previously received FNS support for EBT projects and have expanded statewide or ceased operating an EBT pilot.

We anticipate awarding approximately \$3 million in EBT cooperative agreements for FY 2006 to WIC State agencies operating existing EBT pilot projects. The amount of funds awarded will depend on competing funding needs within the WIC Program and the merits of the cooperative agreement requests received. Funding is intended to meet immediate need based on costs occurring between July 1, 2006 and December 31, 2007. Priority for funding will be given to those requests presenting the most immediate need for funds necessary for the ongoing development and operation of pilot projects. Requests for retailer compensation for equipment costs in geographic areas beyond the original pilot site will receive lower priority for funding.

Specific application requirements are provided in the attached Request for Cost Amendments. Applications are due on or before **April 17, 2006** at 5:00 pm ET.

Pre-Notice of Competitive Grants for Online EBT Solutions

Subject to the availability of funds, FNS may provide up to an additional \$3 million for up to 3 new projects proposing to develop, test, and evaluate integrated online EBT solutions. This grant solicitation is open to all WIC State agencies, except States with existing cooperative agreements are not eligible to also apply for funding under the competitive solicitation. These grants are intended to support projects that will provide timely information on the technical and financial viability of online EBT solutions. FNS will consider applications from projects proposing: (1) a joint WIC and Food Stamp Program procurement for EBT services -- "State Y" identified in the FNS Five Year Plan (for more information see <http://www.fns.usda.gov/WIC/EBT/wicebt5yearplan.htm>); (2) independent efforts by State agencies to develop internal EBT systems; and (3) efforts to pilot test and evaluate EBT systems developed and demonstrated with FNS funding that have not previously been integrated into retailer cash register systems or evaluated using the National Cost Evaluation Model. Grants awarded under this solicitation are for limited pilots only and are not intended to support efforts toward statewide implementation.

Grants are contingent on available funds and will be awarded to State agencies based on: (1) a WIC State agency's prior involvement and/or experience in WIC EBT system design and development; (2) a WIC State agency's dedicated resources to manage and staff a WIC EBT demonstration project; (3) a project plan to achieve goals within the FNS Five Year Plan timeline (2 years or less); (4) plans to minimize costs and time needed for upfront design and development; (5) status of current WIC Management Information System and/or ability of system to support EBT operations; and (6) demonstrated retailer support and commitment to participate in EBT system design/development and pilot operations.

FNS expects to release an announcement for cooperative agreements for online EBT solutions in the third quarter of FY 2006. Cooperative agreements may be awarded in FY 2006 and/or in FY 2007, subject to availability of funds.

If there are any questions regarding the FY 2006 WIC EBT Pilot Project Cooperative Agreements, please contact Veronica Ferrell of the Grants Management Division of FNS at 703-305-2863.

PATRICIA N. DANIELS
Director
Supplemental Food Programs Division

LAEL J. LUBING
Director
Grants Management Division

Attachment

WIC State Agency Program Directors

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cc: Regional Directors
Patty Davis, SFPD
Laurie Hickerson, SFPD
Veronica Ferrell, GMD